

Headquarters Air Combat Command

RED ZONE

and how it helps you deliver projects on time

8th Annual USACE Small Business Conference



**Mr. Mark Hunt
HQ ACC/CECE
2 Dec 2004**

**This Briefing is:
UNCLASSIFIED**



Outline

- **Who is Air Combat Command?**
 - **How much construction do we do?**
 - **What involvement do we have with Small Business?**
 - **What are our construction goals?**
 - **How are we doing in execution?**
 - **What is the Red Zone?**
 - **Video**
 - **How are we doing with Red Zone?**
 - **Summary**
-



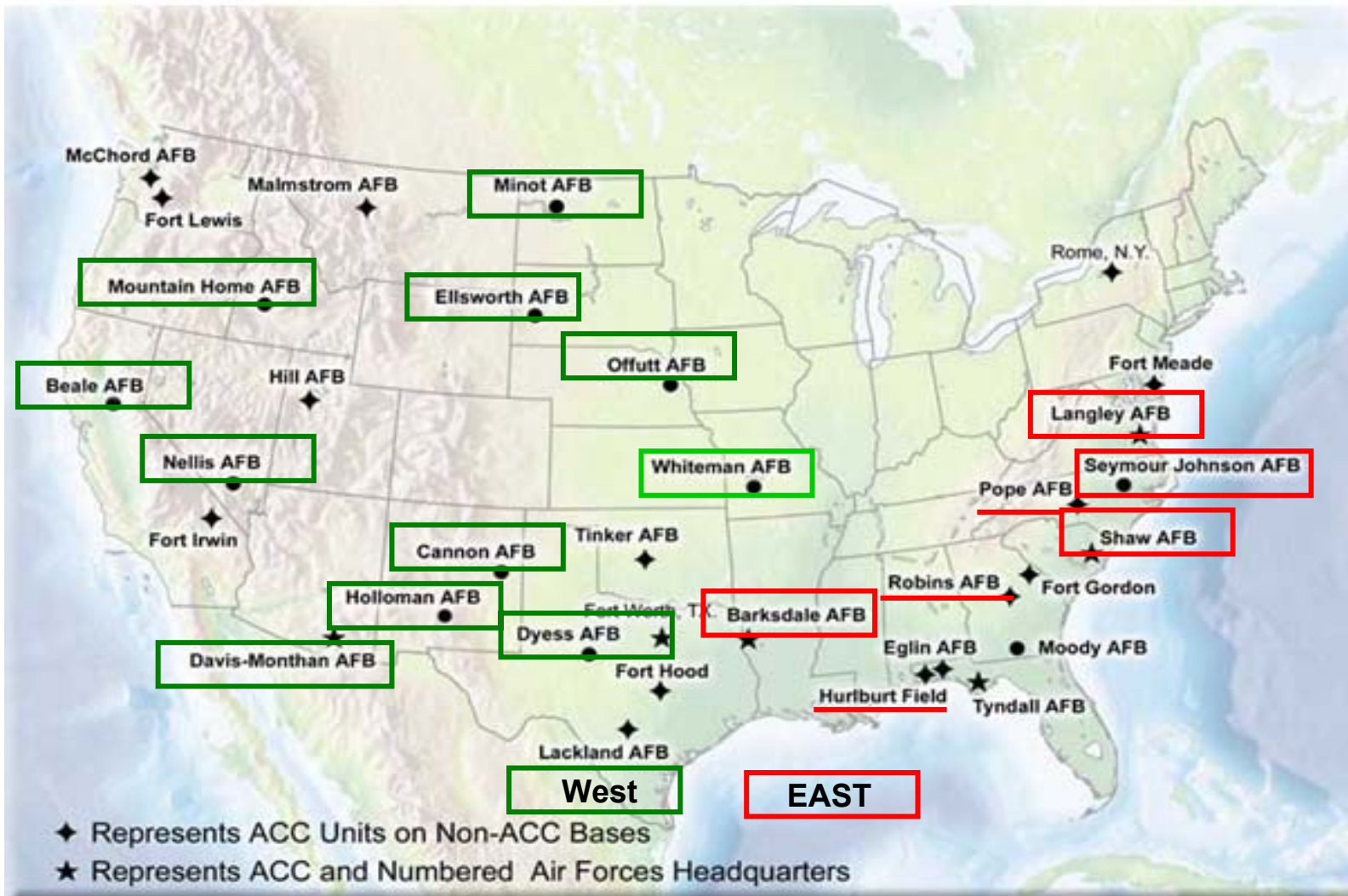
Who Is Air Combat Command?

- **Responsible for design & construction project management for:**
 - **Military Construction (MILCON) projects**
 - **Non Appropriated Fund (NAF) projects**
 - **Military Family Housing (MFH) projects**
 - **Major Operations & Maintenance (O&M) projects**
 - **CONUS Construction West CECW (Mike Ethier)**
 - **Mountain Home, Dyess, Beale, Minot, Whiteman, Ellsworth, Nellis, Cannon, Davis Monthan, Holloman, AIA**
 - **CONUS Construction East CECE (Mark Hunt)**
 - **Shaw, Langley, Barksdale, Seymour, Pope ASOS, Robins, Hurlburt, Eglin, Avon Park**
 - **OCONUS Construction CECO (Larry Dryden)**
 - **South West Asia, Diego Garcia, Curacao, Manta, Fairford**
-



Who is Air Combat Command?

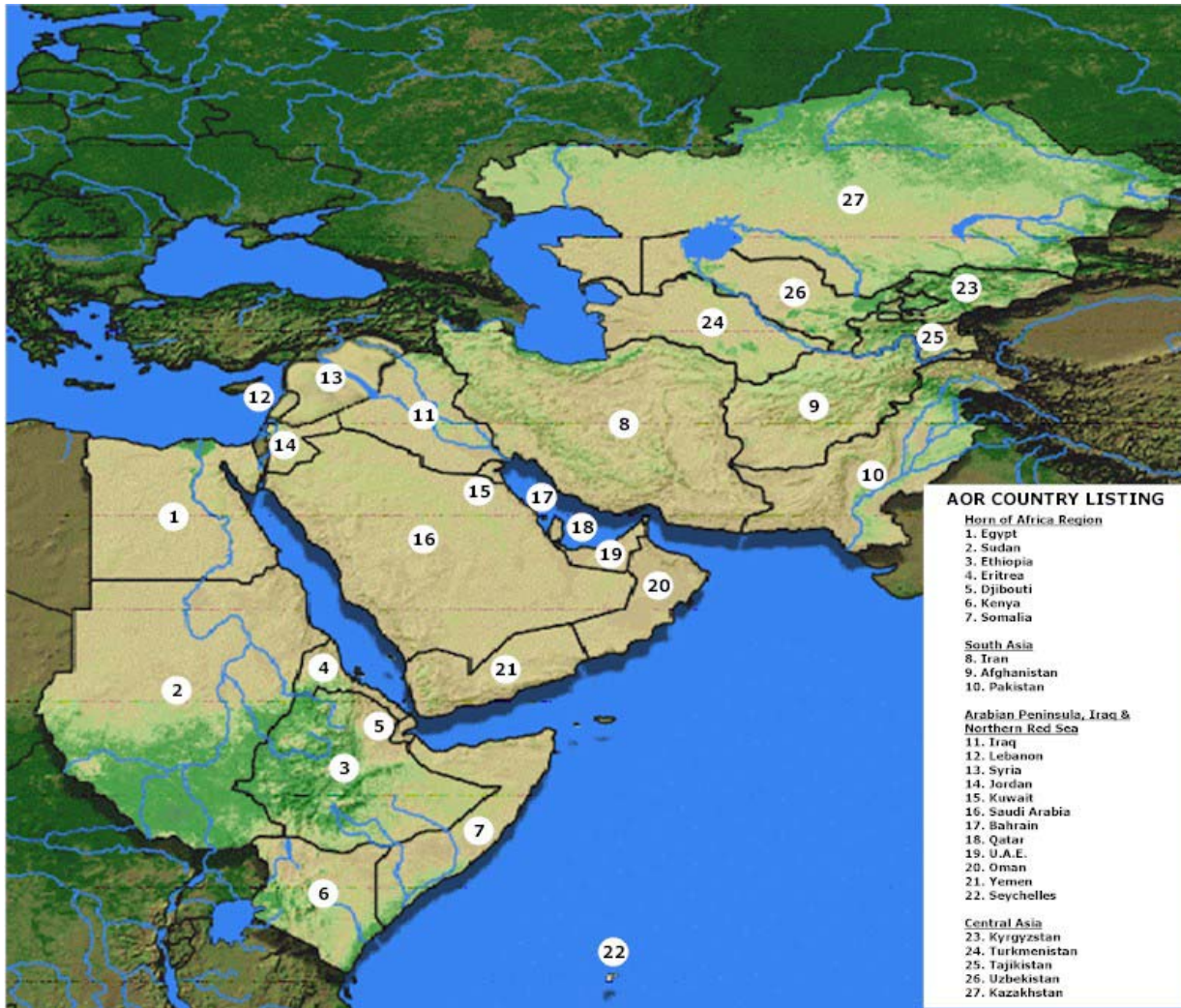
CONUS Installations





Who is Air Combat Command?

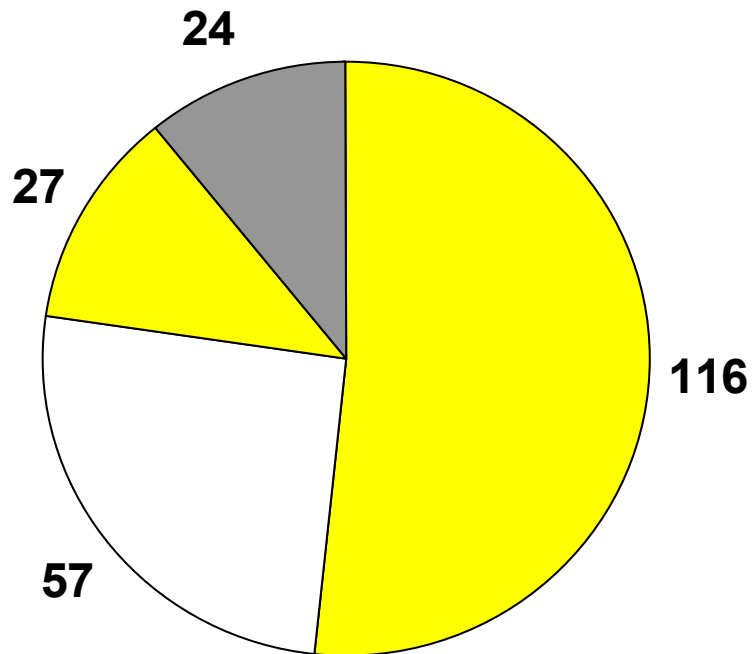
OCONUS Installations



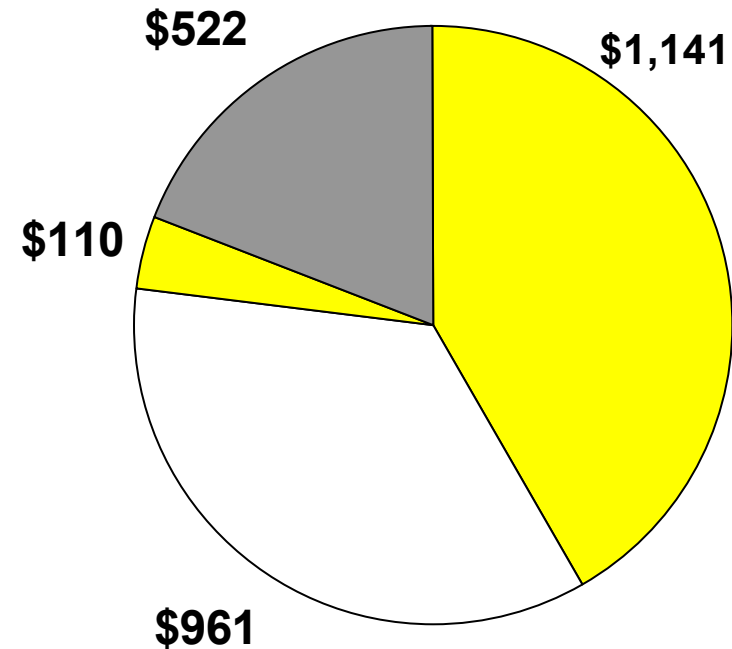


How Much Construction Do We Do?

Number of Projects



Dollars (\$M)



■ MILCON ■ MFH ■ NAF ■ SWA

■ MILCON ■ MFH ■ NAF ■ SWA

ACC currently manages 224 MILCON projects totaling \$2.7Billion



What Involvement Do We Have With Small Business? Goals:

DOD	USACE	NAVY	Prime Contracting
23.0%	43.8%	39.1%	Small Business
3.0%	3.0%	3.1%	HUB Zone
5.2%	18.0%	18.1%	SDB (incl 8a)
5.0%	6.5%	5.3%	Women Owned
3.0%	3.0%	3.0%	Service Disabled Veteran-owned

Service Goals Exceed DOD Goals!



What Involvement Do We Have With Small Business? Contracts:

- **Percent of ACC's MILCON program (CONUS only) that were SDB, DB, 8a or HubZone**
 - **FY97: 13.8%**
 - **FY98: 18.2%**
 - **FY99: 16.7%**
 - **FY00: 25%**
 - **FY01: 15%**
 - **FY02: 17.7%**
 - **FY03: 24%**
 - **FY04: 40%**
-



What Are Our Construction Goals?

- **Design/Award**
 - Pres Budget RTA 31 Jul FY – 1; award 31 Dec FY
 - Inserts RTA 1 Jul FY; award 31 Jul FY
 - CWE/PA targets support payment of ‘taxes’
 - **Construct**
 - Max construction duration:
 - $\leq \$5M$ = 365 days (and all Dormitories)
 - $> \$5M$ to $< \$20M$ = 540 days
 - $> \$20M$ = 730 days
 - No cost growth
 - No schedule growth
 - **Closeout**
 - Financial closure within 120 days of Beneficial Occupancy
-



How Are We Doing In Execution?

Agent Score Cards FY2004

AGENT	% of Pts Avail	DESIGN	AWARD	CNS	FIN CLOSE
SOUTHDIV	70.97	20 ●	30 ●	50.22 ●	13.33 ●
Los Angeles	69.95			44.95 ●	32 ●
Albuquerque	65.13	10 ◆	21.67 ◆	55.56 ●	30 ●
Seattle	60.71		30 ●	57.14 ◆	10 ●
Norfolk	54.76		20 ●	36.67 ●	20 ●
Sacramento	54.32	20 ●	40 ●	37.77 ◆	0 ●
Savannah	44.79		35 ●	36.67 ◆	0 ●
Omaha	37.98		10 ◆	36.50 ◆	6.67 ●
Kansas City	33.93		10 ◆	37.5 ◆	0 ●
Ft Worth	11.36			12.5 ●	0 ●

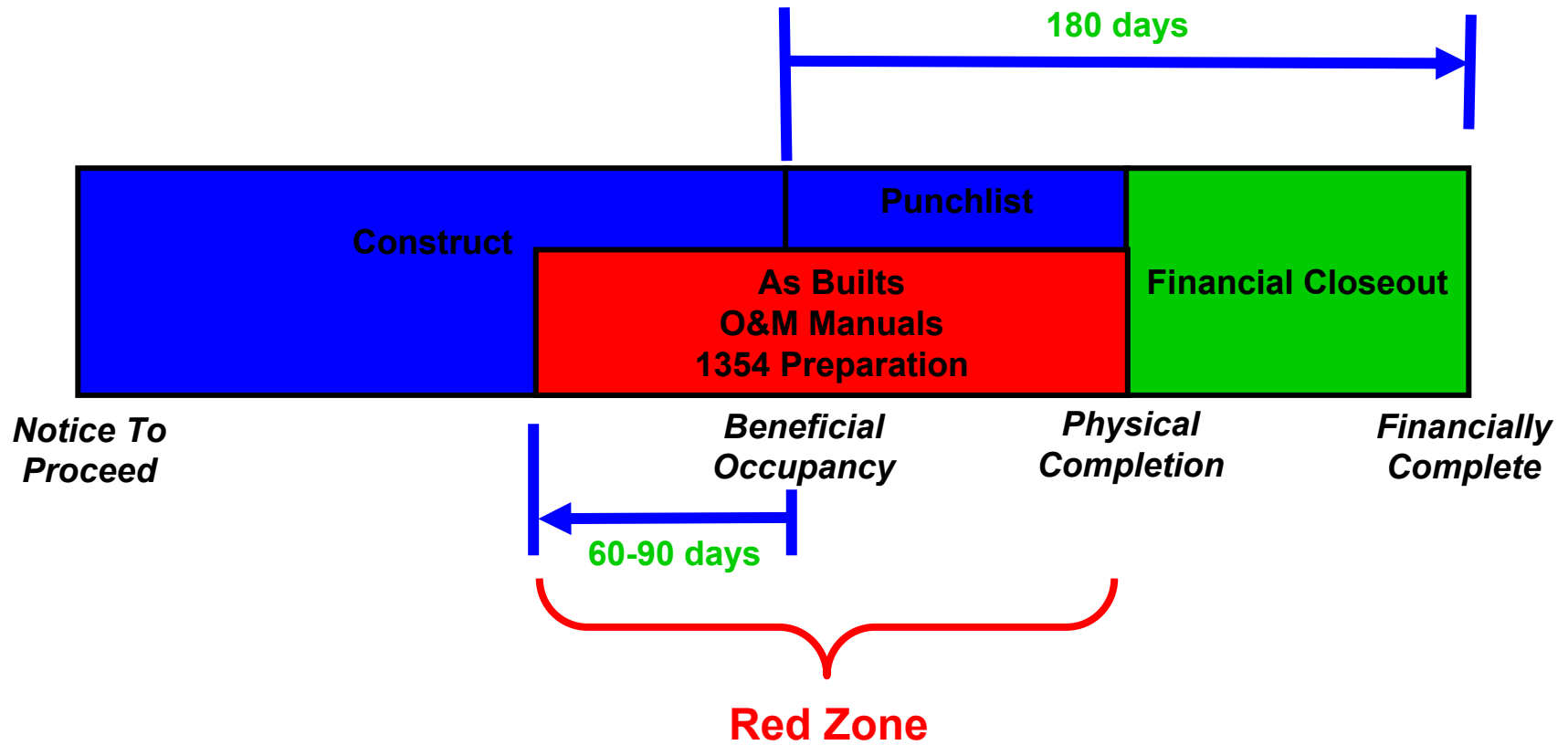
A or B = ●

C = ◆

D or F = ●



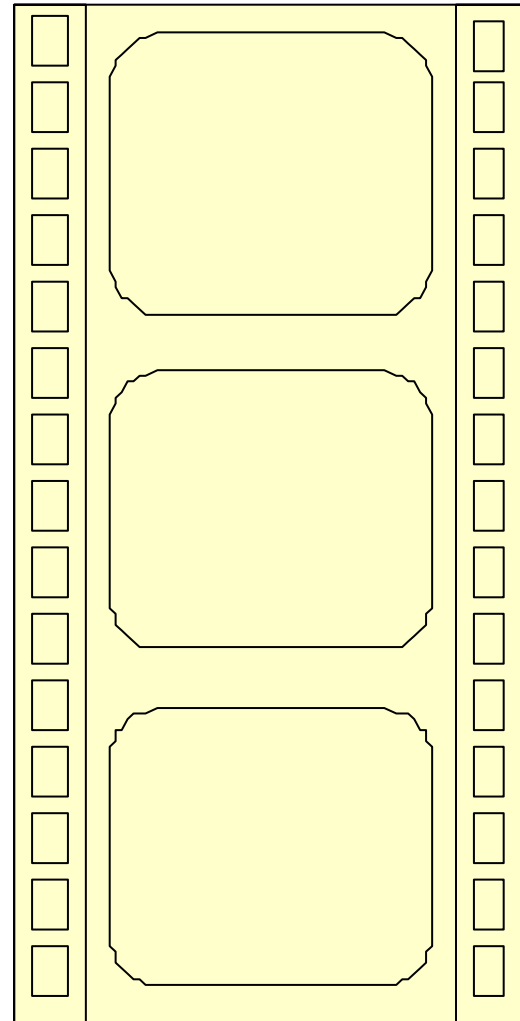
What Is The *Red Zone*?





*What Is The **Red Zone**?*

Role that Video!





What Is The **Red Zone**?

Red Zone Meeting

- Initial meeting held 60-90 days prior to Beneficial Occupancy Date
 - Attendees:
 - ACC and Corps Project Managers, Resident Engineer
 - Base Civil Engineer (Fire Dept, Ops, Eng, Enviro)
 - Customer, Communications, Safety, Bio-Environmental
 - Prime Contractor and Sub-contractors
 - Purpose:
 - Documented plan to finish on schedule
 - Identify modifications and obstacles to closure
 - Order as-builts & O&M manuals
 - Review contract, SIOH and contingency balance
 - Warranty plan implementation
 - Commitment to sign 1354
 - Ribbon cutting ceremony/customer move in schedule
 - Remaining project contingency \$ go corporate ACC
-



*What Is The **Red Zone**?*

Key Milestones

- Mechanical test and balance
 - Landscaping completion
 - Fire/safety inspection
 - Pre final inspection
 - Final inspection
 - BOD
 - Furniture delivery/install
 - Equipment delivery/install
 - Communications install
 - O&M training
 - User move-in
 - Ribbon cutting ceremony
 - As built delivery
 - O&M manual delivery
 - Punchlist completion
 - Physical completion
 - 1354 signature
 - Final invoice submission
 - Final contract payment
 - Release of claims
 - Final SIOH billing
 - Return of unobligated \$
 - Financial completion
-



ACC Red Zone Policy Letter & Tri-Fold

- **Air Combat Command established the Red Zone in a policy letter**
- **22 Jan 2002 - Applies to all MILCON projects**
- **ACC Tri-Fold brochure**

AIR COMBAT COMMAND

CONSTRUCTION DIVISION

RED ZONE MEETING



**BRINGING TOGETHER THE TEAM TO
COMPLETE A MILCON PROJECT**

BASE: _____

PROJECT: _____

ACC Program Mgr: _____

Date: _____



USACE Red Zone

Engineering and Construction Bulletin

- USACE adopted the Red Zone in an Engineering and Construction Bulletin
- ECB 2002-14 22 May 2002
- “MILCON Project Close-out, The RED ZONE Meeting”



US Army Corps
of Engineers

ENGINEERING AND CONSTRUCTION BULLETIN

NO. 2002-14

ISSUING OFFICE: CECW-EI / CEMP-MA

Issued: 22 May 2002

Expires: 22 May 2004

Subject: MILCON Project Close-out, The RED ZONE Meeting

Applicability: Guidance

1. The U.S. Army Corps of Engineers is endorsing the Air Force's Air Combat Command (ACC) initiative called *The Red Zone Meeting* as an approach for timely completion and close-out for MILCON projects. The Red Zone meeting gets its name from the football term used to describe the team effort to move the ball the last 20 yards into the end zone. The close-out of a MILCON project sometimes can be equally as hard and most definitely requires the whole team's efforts.
2. The Red Zone meeting is held approximately 60 days before the anticipated Beneficial Occupancy Date (BOD). The whole Project Delivery Team (PDT) meets to discuss the close-out process, to build a schedule of events and assign responsibilities for actions necessary to produce a timely physical as well as fiscal close-out of the project. Enclosed is a copy of the ACC brochure describing their program.
3. The Corps of Engineers will apply the Red Zone meeting process to all MILCON projects. The Red Zone meeting should be included in every Project Management Plan (PMP). Ongoing projects with existing PMPs should incorporate Red Zone meetings if project BOD has not been reached. The Corps Project Manager will chair the meeting and ensure all the key players are in attendance. The enclosed sample checklist will help to ensure key milestones are discussed. The Word file for the sample checklist will be sent out with the distribution of this Engineering and Construction Bulletin. This file can be customized to include unique requirements for individual projects.
4. The Red Zone Video has been loaded on the Corps' FTP site at <ftp://ftp.hq.usace.army.mil/video>. The file name is *RedZoneexpressd.avi*. There are a few options to view the video: 1) You can double-click on the file name and the file will download and you can view through Windows Media Player. This download can take up to 5 minutes or so depending on your computer and Network traffic; 2) You can create a CD of the video by right clicking on the file at the ftp site. Choose "Save Target As" and a dialogue box will open up. Choose the directory where you want to save the file to and save the video file. Once the file is saved, then use your own CD creation software (like Adaptec) to create the CD. After you verify that the CD works, you can delete the file from your hard drive; and 3) Contact your local help desk and have the file copied to your local server and then you can view through the Media Player (as described above) but it will be faster than from the FTP site.

DWIGHT BERANEK, P.E.
Chief, Engineering and Construction Division
Directorate of Civil Works

JOSEPH TYLER, P.E.
Chief, Programs Management Division
Directorate of Military Programs



USAF Red Zone Leading Practice

- HQ Air Force adopted the Red Zone AF-wide in a policy letter
- “Implementation of Red Zone Meeting” 22 July 02
- Scoring in the Red Zone established as a “Leading Practice”



SYNOPSIS: Red Zone meetings are conducted 60 to 90 days prior to the facility's Beneficial Occupancy Date (BOD). The purpose is to develop a plan and establish a team commitment on the actions required to expeditiously complete and financially close-out the project. This process has been adopted by the Air Force and Army and is being continually refined through lessons learned.

LEADING PRACTICE DESCRIPTION:
The Red Zone concept is proving to be an effective initiative for delivering a timelier product to our customers. As this new process matures, lessons learned shows that the most advantageous time to conduct these meetings are between 60-90 days prior to the anticipated Beneficial Occupancy Date (BOD) for the project.
The best timing for the Red Zone meeting is dependent upon the complexity and unique circumstances of each project. The original memo targeted the Red Zone meeting at 80 percent construction complete, and the U.S. Army Corps of Engineers, Engineering and Construction Bulletin, No. 2002-14, dated 22 May 02, targeted the Red Zone meeting at approximately 60 days prior to the anticipated Beneficial Occupancy Date (BOD). Conducting the Red Zone meeting 60-90 days prior to the BOD appears to be the most effective in allowing sufficient time for all actions to properly take place.

BENEFITS: Forms a team commitment and solidifies the plan for project completion and financial close-out.

THE PROCESS: The Red Zone meeting is conducted at the project Installation with the construction contractor, Agent, Base, customer and MAJCOM. The team identifies and sets milestones for completion of actions required to complete and close-out the project. Attachment is a sample of a typical Red Zone milestone and commitment document developed during the meeting.

ATTACHMENT:

Red Zone Tri-Fold Brochure



red zone
chure.doc (238 KB)

Sample Red Zone meeting



LoRes_RedZone.ppt

Corps of Engineers Red Zone bulletin.



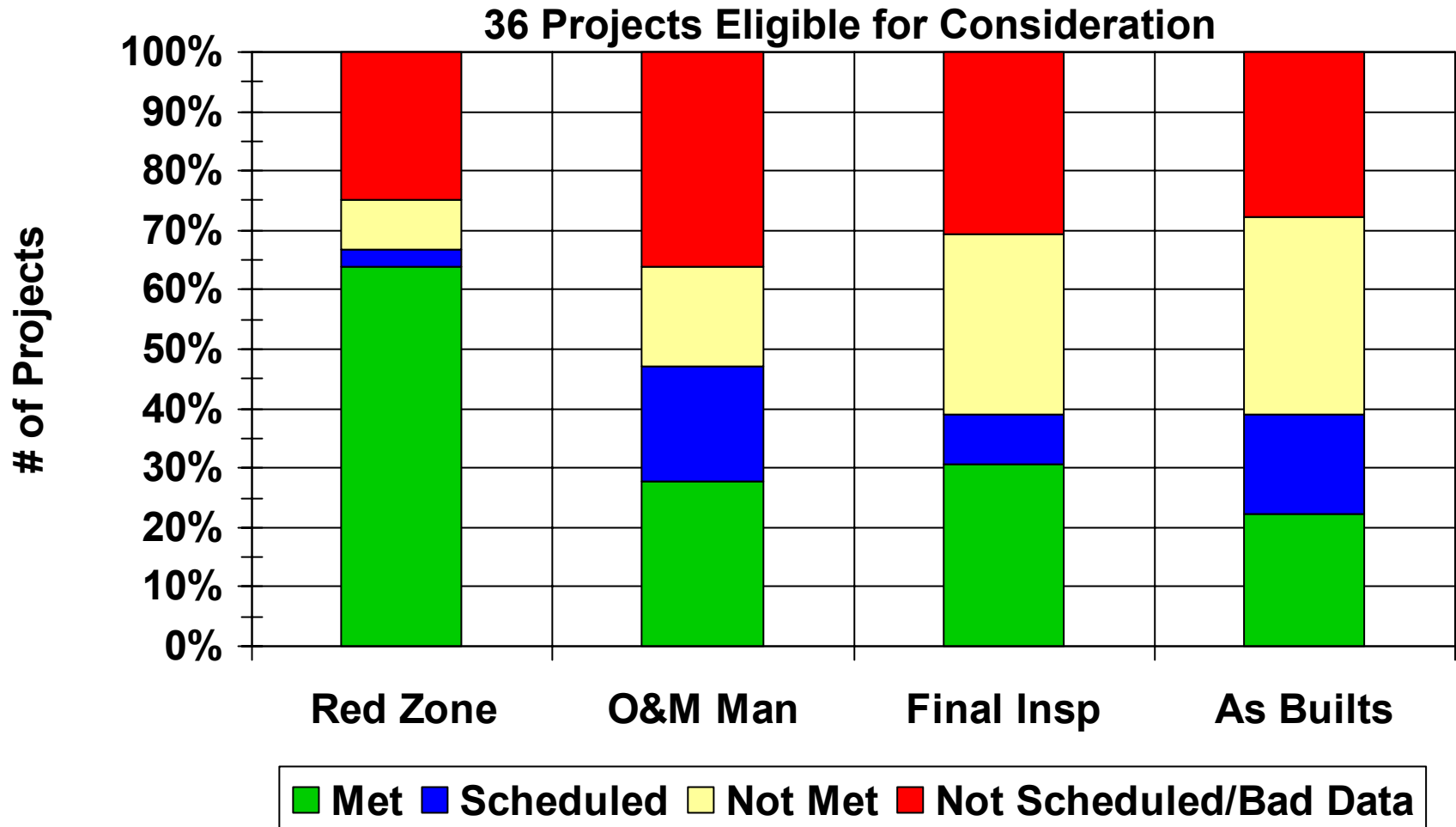
coebulletin.PDF (54
KB)

CONTACT:

Michael Ethier/GS-14
HQ ACC/CEC
129 Andrews St, Ste 321
Langley AFB VA 23665
DSN 574-0799 Comm (757) 764-0809
michael.ethier@langley.af.mil



*How are we doing in the **Red Zone**?*





SUMMARY

- **Need to narrow focus on project completion as it nears**
 - **Meet with all team members to identify obstacles to closure**
 - **Establish financial status, milestones, OPRs and dates**
 - **Get commitment from the contractor to finish on schedule**
 - **Limit/prohibit further project changes; funds go corporate**
 - **Follow up, follow up, follow up**
-

Headquarters Air Combat Command

RED ZONE

and how it helps you deliver projects on time

8th Annual USACE Small Business Conference



**Mr. Mark Hunt
HQ ACC/CECE
2 Dec 2004**

**This Briefing is:
UNCLASSIFIED**



ACC Case Studies: Hard Facts

■ FY04 - CSAR HH-60 Squad Ops/AMU

- 8a Low Bid: \$7,541,856 126% PA**
- Open Low Bid: \$5,989,780 98% PA**
- \$1.6M savings on a \$6M project**

■ FY03 – F/A-22 Munitions Storage

- Original DB MATOC RFP was issued to 2 small and 2 8(a) contractors, but only had one bidder**
 - Original 8(a) bid 153% of PA**
 - Changed strategy from MATOC to Competitive 8(a)**
 - Award CWE/PA was 95.6%**
-

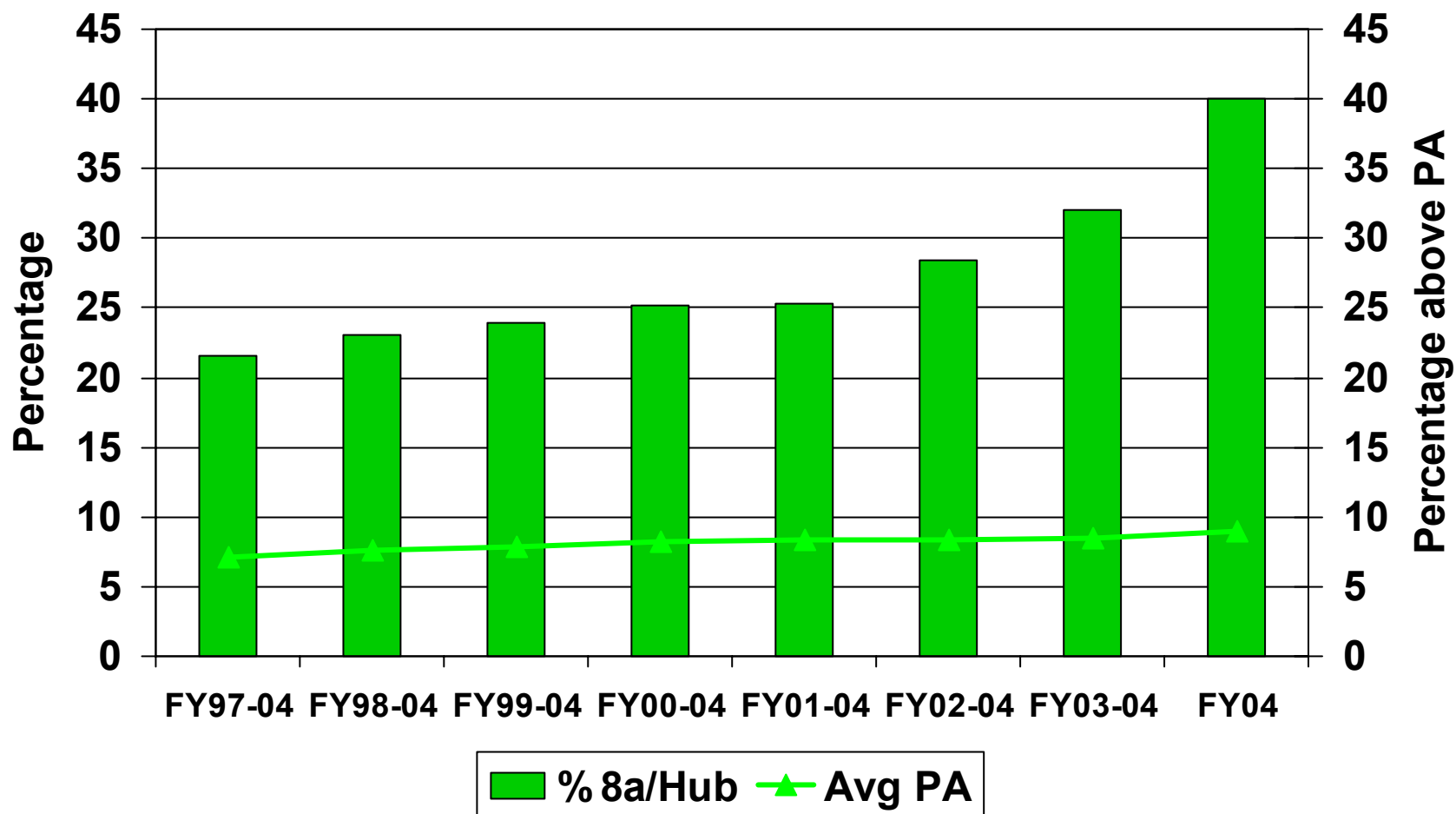


SPD Detailed Analysis on SB Data

- **Study conducted by SPD (Mr Thomas Chamberland)**
 - **Presented to:**
 - **ACC, DoD Cost Engineering Community, St Louis Tri Service Cost Engineering Conference, several tri service cost engineering steering committee meetings, and USACE**
 - **Study conducted in 2002 using 800 SPD bid openings**
 - **Result:**
 - **“This data clearly and unequivocally showed that both negotiated and competitive 8(a) contracts on average, are awarded at a price 15% higher than free and open competition would garner.”**
-



CONUS SB/Hub Comparison





Conclusions

- **SBA Goals have a tendency to increase every year**
 - **SBA Contracts cost at least 110% of PA on the average**
 - **MAJCOMs with average PAs less than \$10M maybe be carrying a disproportionate share of the goal**
 - **Decisions on which projects are subject to SBA consideration are made primarily on $PA < \$10M$**
 - **Goals are met/set at the District level in a spirit of competition with no apparent consideration for how award $CWE > PA$ affects the customer**
-